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June 5, 2007

VIA HAND DELIVERY

The Honorable Sue L. Robinson c/o Clerk of the Court United States District Court - District of Delaware J. Caleb Boggs Federal Building 844 N. King Street, 4th Floor Wilmington, DE 19801

Re: CLASI v. Horizon House, Inc., et al. D. Del., C.A. No. 07-221 (SLR)

Dear Chief Judge Robinson:

We write on behalf of defendants, and with the authorization of counsel for the plaintiff, regarding the status of the above referenced litigation. Pursuant to my discussion with Your Honor's Chambers, we are please to inform the Court that the parties have achieved a settlement in principle of the litigation, and are currently finalizing their settlement agreement. It is the parties' mutual expectation that the dismissal papers will be completed within the next week.

Given the current status of the matter, defendants do not intend at this time to file an answer or other responsive motion to plaintiff's complaint. Should the Court believe some further measure is in order at this time, we are prepared to draft any necessary interim paperwork pending the completion of the settlement papers.

Should Your Honor have any questions, we are available at the convenience of the Court.

Respectfully Submitted,

Tradlew J. Wearns

Thaddeus J. Weaver

cc: Daniel Atkins, Esquire/Eliza Hirst, Esquire (via electronic mail)
Guy Vilim, Esquire (via electronic mail)

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